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GENERAL AND REVENUE SECRETARIAT

Serial Nos. One

Part B for June, 1950

SUBJECT

Report of the India Delegation to the 10th Session of the Economic and Social Council of the United Nations, 1950

No.D.3171-UNII/50
Government of India
Ministry of External Affairs
New Delhi, the 6 July, 1950.

GENERAL & POLITICAL
1539/E1
11 JUL 1950
EDUCATION BRANCH

From

Shri T.J.Natarajan,
Under Secretary to the Govt. of India

CHIEF SECRETARY
Education
8 JUL 1950
GOVT. OF MYSORE

To

I am directed to enclose a copy of the Report of the India Delegation to the 10th Session of the Economic and Social Council of the United Nations, 1950.

Yours faithfully,

T Natarajan
Under Secretary.

EDUCATION SECRETARY
GOVERNMENT OF MYSORE

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Report of the India delegation to the 10th Session of the Economic & Social Council of United Nations.

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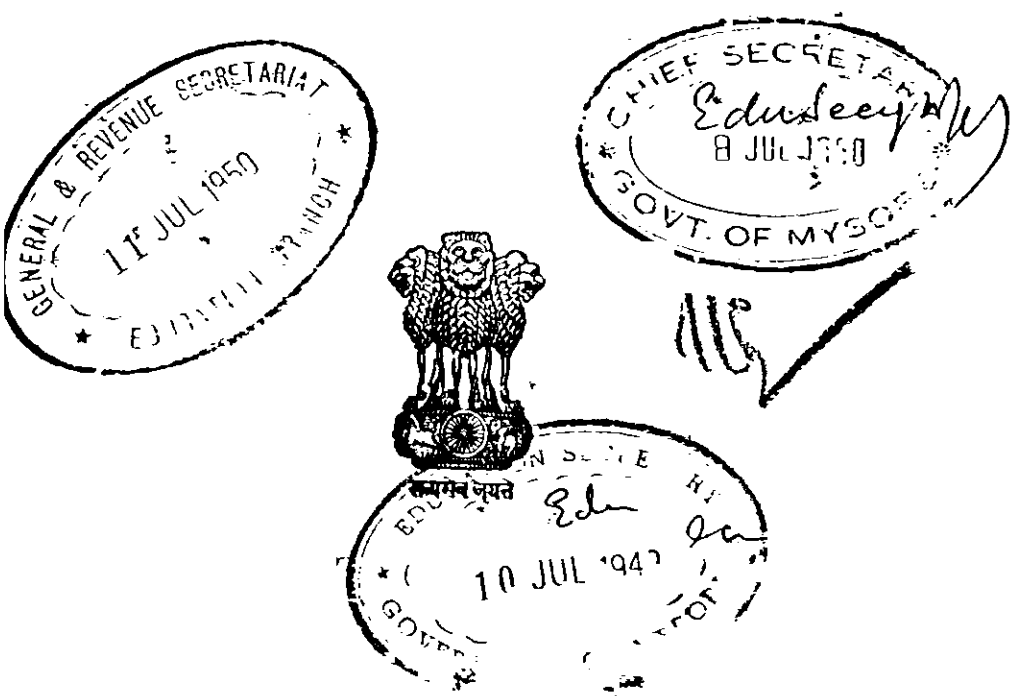
GOVERNMENT OF INDIA

MINISTRY OF EXTERNAL AFFAIRS

REPORT OF THE INDIA DELEGATION
TO THE
TENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL



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REPORT OF THE INDIA DELEGATION TO THE TENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL (7TH FEBRUARY TO 6TH MARCH 1950).

DELEGATION

Representative.—Sir A. Ramaswami Mudaliar.

Alternate Representatives.—Rani Lakshmibai Rajwade and Prof. B. P. Adarkar, Head of the Economic Affairs Division, Ministry of External Affairs, New Delhi.

Secretary-General.—Mr. S. Sen, I.C.S.

Public Relations Officer.—Mr. Shiv K. Shastri, Director, India Information Services, Washington, D.C.

REPORT OF THE INDIA DELEGATION TO THE TENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS.

CHAPTER I

INTRODUCTORY REMARKS

1. The 10th session of the Economic and Social Council opened at Lake Success, N. Y. at 11 A.M. on February 7th and closed after 4 weeks on 6th March at 6-15 P.M.

The tempo of the work of this session was extremely smooth and leisurely. This was largely due to the absence of the Eastern European powers who had made an issue of the presence of "Kuomintang" representatives in the various United Nations bodies and declared that so long as they continued to sit at the Council table, they would neither participate in the discussions nor consider any of the decisions arrived at as valid or binding. Secondly, the winter sessions of the Council following so closely the conclusion of the General Assembly are, as a rule, without the reports of the various commissions, sub-commissions and committees. Most of the Specialised Agencies meet in the first half of the year and are also not in a position to report to the Council until its summer session. In these circumstances, it is not surprising that the Council concluded its work in the remarkably short period of 4 weeks and yet arrived at a large number of important decisions.

2. Although the absence of the Soviet countries from the Council was in conformity with their policy in other bodies of the United Nations, it was of significance insofar as it related to the exact interpretation of 'credentials' which are to be examined by the Council at each session. Sir Ramaswami (India) explained to the Council that from the days of San Francisco it had always been assumed that the credentials which the Council was expected to examine related only to the form of the documents and the indentity of persons holding them. The Council was never at any stage expected to go beyond this purely routine examination and decide upon the question whether the Governments issuing these papers did in fact constitute legal governments or command the support of their people. That, according to Sir Ramaswami, must be the function of either the Security Council or of the General Assembly. It would indeed be anomalous, argued Sir Ramaswami, if different bodies of the United Nations took independent decisions as to the validity of governments. For these reasons, which were shared by the other delegates, India abstained on the Soviet resolution asking for expulsion of the Nationalist Chinese representatives at the very opening of the Council. Sir Ramaswami explained further that India's attitude towards this question had been made known in the Security Council and his abstention was therefore entirely on procedural grounds and on what he considered to be the proper functions of the Economic and Social Council. In the event, the Soviet proposal was defeated by 3 votes to 10 with 5 abstentions. The United States voted against mainly because it has not recognised the Communist Government of China, while the United Kingdom, Pakistan and several others abstained.

3. The election of officers of the Council initially created certain difficulties because the exact timing of the Soviet countries' exit was not

known. According to usuage one of the vice-presidents was to be selected from the representatives of the Eastern European States. Poland was the candidate this year but insofar as she, along with her neighbours, left the Council before the election, there was no nomination for her: Santa Cruz (Chile) was elected President; Sir Ramaswami, first Vice-President, and Mr. Dehousse (Belgium) second Vice-President. All the elections were unanimous and Sir Ramaswami's acceptance of the first vice-presidency after having been its President for 2 years was considered as indicative of his genuine anxiety to contribute as effectively as possible to the work of the Council.

The other elections were concerned with the Agenda Committee and the Council's Non-Governmental Organisations Committee (N.G.O. Committee). The latter's membership was increased from 5 to 7 and now includes the Five Great Powers, Peru and Pakistan. India did not seek election to this Committee. The Agenda Committee is composed of the representatives of Chile, India and Belgium, in the *ex-officio* capacity of the leaders of their delegations together with the representatives of Canada and Poland. Since, however, Poland is due to retire from the Council this year, Czechoslovakia has been named as its alternate.

4. The next meeting of the Council will be held at Geneva on 1st July. The Secretariat was able to circulate a preliminary agenda for the 11th session which is expected to include not only a large number of reports from the Specialised Agencies and the Council's Commissions but to undertake the important tasks of economic development of under-developed areas, of full employment and of co-ordination. In addition, the vexing problems of slavery, forced labour and trade union rights will also be on its agenda. The work is expected to be so heavy at the 11th session that the Secretariat has suggested 6 committee meetings each day for a period of approximately seven weeks.

AGENDA

5 On the first day of the session the Council decided to adopt the provisional agenda (Appendix A) with the understanding that the items 3, 4, 5, 27, 32, 33 and 34 will be deleted or postponed or referred to some other organisations. It was also decided to discuss jointly items 7 and 8, 18 and 19, 6 and 31, and 9 (6) (c) (d) and 10. Several items were discussed on different dates with long intervals in order to ensure that duplication was avoided and co-ordination obtained.

Three of the four supplementary items related to purely formal matters like approval of admission of certain states (Indonesia and Transjordan) to UNESCO and to the exemption of a drug (Ipecopan) from the International Conventions on Narcotic Drugs. The only substantive supplementary item was concerned with the question of the abolition of slavery. An *ad hoc* Committee established during the Council's ninth session met during February and submitted its interim report on the 3rd March for consideration by the Council.

One of the noteworthy features of the Council's work during this session was the increased participation by several non-governmental organisations in the Category "A".

CHAPTER II

ECONOMIC SUBJECTS

(Items 6, 7, 8, 9, 10, 11, 12, 25, 26 & 31)

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6. The Council had before it a large number of intricate economic problems and voluminous documentation. Much of the material was not available until late in the session and consequently the governments and members did not have adequate time to study it in all its aspects. It was unavoidable, therefore, that concrete actions on several problems should be postponed to the next session of the Council. The interrelation of the economic problems inevitably led to some duplication in the debate but as a rule the standard of discussion was maintained at a high level. Several specialised agencies and the representatives of the non-governmental organisations participated in the debate, serving to prove the anxious concern which the present economic conditions are rousing in various quarters.

7. **World Economic Situation.**—The Secretariat document containing not only a general review of the trends of major economic factors during 1949, but also, to a lesser extent, the particular problems facing different regions of the world, formed the basis of the debate on the subject. Overlapping with the related problems of full employment and assistance to under-developed territories was unavoidable. The central issues of the recent economic changes are summarised in the following paragraphs.

8. The shortage of dollar earnings by most countries was accepted as a stumbling block both for better balancing of trade figures and for the eventual goal of free convertibility of currencies. In the historical review prepared by the Secretariat and broadly accepted by the Council, much of the trouble during the past few years can be traced to the breakdown of triangular trade which existed in the inter-war period between dollar areas, Western Europe and the under-developed areas of Eastern Europe, Latin America, Asia and Africa. The disruption was complete during the war, but even earlier the tendencies were noticeable which made this process inevitable. The under-developed countries having accepted the programmes of industrialisation in various degrees, reduced their demands for consumer goods from Western European countries, and made it difficult for them to take advantage of the export surplus in dollars which these countries previously enjoyed by the sale of raw materials and primary products in the American market. At the same time, the under-developed territories clamoured for capital equipment from the Western hemisphere and, were unable for a variety of reasons to maintain the exports of their primary products. Western Europe and several under-developed areas were, therefore, compelled to trade with the dollar areas on a continuing system of deficit. During the war the size of dollar imports into Western Europe assumed unprecedented proportions, but because of land lease and war-time financing, it did not produce immediate repercussions. At the conclusion of the war, however, the dollar gap in the trade figures of Western Europe became a serious menace in which the sterling obligations of the United Kingdom contributed in no mean degree.

9. Attempts to close the dollar gaps were, therefore, the most vital problems during the years 1948 and 1949. It was expected that the American assistance together with greater efforts for productivity would reduce the deficit to manageable limits. It was further assumed that the American aid would maintain the export trade of the United States to a satisfactory level and thus reduce the problem of unemployment which that country must face with any serious decline in exports. With these objectives in view, it is understandable that during 1948 and 1949 emphasis was concentrated solely on the reconstructions of the war-devastated economy of Europe.

10. After two years of trudging along this line of thought and programming the report makes it clear that while reconstruction of European economy is almost complete, the balancing of trade figures and the establishment of free convertibility of currencies still remains distant goals. The report discusses the difficulties which different countries must encounter if the convertibility of currencies is to be attained. Without such convertibility not only the level of trade will continue to be low and the imbalance chronic, but the flow of capital, either private or governmental, would be difficult to encourage. This thesis is also supported by the reports of the International Monetary Fund and the International Bank for Reconstruction and Development.

11. While the Council had very little to quarrel with this historical analysis, the problem before it was how to solve the difficulties. Already the unemployment figures of the United States have reached an anxious proportion and that country could not be expected, either in theory or in practice, to continue to support its export trade indefinitely by advances of large sums of money to other governments. Nor would it be feasible without a complete sense of defeat and frustration to reduce the standard of living of Western Europe to any appreciable degree. The third possibility that the available American aid should now be canalised to under-developed territories to enable them to develop their industries and later to establish a new pattern of trading at a higher level naturally appealed to those members of the Council who came from countries which are economically handicapped. It was, however, not quite clear whether such a programme for development could be worked out in the course of the next few years in the prevailing atmosphere of political instability, lack of technical knowledge, and difficulties of obtaining sufficient capital, either in the countries themselves or from outside. Nor was it stated in unequivocal terms how, after the under-developed countries had achieved their industrialisation, the new pattern of trade could be established without dislocation of populations or without serious unemployment in certain countries. While everyone was agreed that under-developed countries should be assisted, very few could foresee how, as a practical measure, the classical age of free trade could be introduced in a system of world economy bound up with important national considerations.

12. The report had emphasised how 1949 saw the end of the seller's market and the reduction of inflationary pressures. The general upward trend of prices in the U.S. since the removal of controls in 1946 halted and reversed itself in the second half of 1948. By the end of 1949 wholesale food prices were down 18 per cent from their peak in August 1948 while the index of wholesale prices fell about 10 per cent. Similar tendencies were noticeable in countries of Western Europe. But while industrial activity continued to advance in this group of countries, weakening, of demand—chiefly in foreign markets, but in a few cases in the domestic market—posed problems for certain industries. This, together

with the levelling off of world trade during 1949, created a lack of balance of payments between the dollar areas and the rest of the world.

In general trade, many soft currency countries held up well, but during the first half of 1949 the U.S. demand for imports fell and the value of exports rose slightly above the 1948 level in spite of the falling prices. Imports continued to fall in the third quarter of the year but exports fell even more sharply. There was a further decline in the export surplus in the final quarter of the year. A substantial portion of the U.S. exports continued to be financed under the European Recovery Programme and the civilian supply programme in the Occupied Areas.

13. The fall in the U.S. demand for goods variously affected different countries. From the first half of 1948 to the same period of 1949, U.S. imports from soft currency countries declined 11 per cent. while imports, heavily weighed with foodstuffs, from hard currency countries increased 6 per cent in value. The fall in the U. S. demand affected almost all major categories of imports which, in turn, led to a tightening of import restrictions in many countries because of foreign exchange difficulties. During the year preceding July 1st 1949, the United Kingdom limited imports payable in dollars to 75 per cent. of the level of such imports during 1945. Members of the Commonwealth followed a similar policy and the effect of those restrictions on U.S. exports was only beginning to be felt in the third quarter of 1949.

14. The countries of Eastern Europe have tended in general to balance their trade with both the hard and the soft currency countries and have not been affected by trading development in the hard currency area. They have experienced a revival of trade since 1948 and have increased both their imports from and exports to Western Europe. At the same time, most of them have expanded their trade with the Soviet Union. The value of the latter's trade with Western Europe during the first half of 1949 was about one fifth lower than for the corresponding period in 1948.

15. To stop the drain on gold and dollar reserves in the sterling area and the losses resulting from speculation against the pound, the United Kingdom devalued the pound 30·5 per cent. on September 18, 1949. Several other countries followed Britain in devaluating their currencies in different degrees. The domestic impact of devaluation has been a slight increase in prices. Whether devaluation will have inflationary or deflationary effects will depend, the report states, on the extent to which devaluation increases or decreases their exports relative to imports in terms of their own currencies. The present persistent imbalance in international trade derives essentially from long-term structural maladjustments for which no remedy is yet in sight. The countries in Western Europe can no longer balance their transactions in triangular trade by earning dollars in third markets from which to pay for import surpluses from the U.S. Consequently, these countries faced the need of adjustments in the structure of their production and the composition of their trade. They will find larger markets for such goods as under-developed countries need for their economic development, and shrinking markets for goods which the under-developed countries are now producing at an increasingly greater rate. Similar adjustment will also be necessary as between Western Europe and the United States. The latter has the outstanding characteristic that while its foreign trade occupies an important position in the total international trade, it is of limited importance to the domestic economy. In 1948, for example, U.S. exports constituted 23 per cent. of world exports but represented only 5 per cent. of its gross national product. Because of its exceptional degree of self-sufficiency, the United

States has an almost inherent tendency to export more than it imports. The report concludes with a commonplace aphoriam that although necessary long-term adjustment is vital to a healthy and balanced growth in the world's economy so long as important trading countries are subject to instability in their demand for imports, there will be conflicts in other countries between the maintenance of full employment at home and the preservation of equilibrium in their international balances. In the longer run, there may even develop a tendency in countries seeking to maintain full employment to insulate their economies against outside disturbance by changes in the structure of their production and in the direction of their trade.

16. The representative of the F.A.O. (Mr. Ezekial) considered the Secretariat's report unduly optimistic about the progress in food production since pre-war days. With a substantial increase in the world's population the per capital consumption of food had decreased and the peoples of Europe, Asia and the Far East were worse fed in terms of total calories and animal proteins. The world's economy did not exhibit sufficient dynamism to warrant the prediction that the food situation would improve. Food surpluses had been created in a number of regions and some states were holding back food production or letting its produce rot in the absence of profitable markets. Unfortunately, F.A.O. had not yet been able to take effective action to correct this anomaly.

17. Justifying the American policy, Mr. Thorpe, pointed out that between the last quarter of 1948 and the second quarter of 1949, U.S. imports of goods and services had fallen from $2,598 million to $2,365 million; at the same time goods and services purchased from the U.S. had increased from $3,786 million to $4,064 million. Thus the fall in U.S. imports represented only 4·6 per cent of the $511 million increase in the deficit of the rest of the world. Also it should be noted, stated the American spokesman, that net assistance from the U.S. had reached its peak in the second quarter of 1949 rising approximately to $500 million above the level of the last quarter of 1948. That increase more than compensated for the decline in dollars made available to the rest of the world as a result of the fall in U.S. imports. In conclusion, he supported the contention that the problem could not be solved by any one country or by any simple formula. The U. S. Government was mainly relying on the forces of the market to produce the necessary increases in employment and production. The U. S. believed that without such expansion in production it would be extremely difficult to make the necessary adjustments. The U.S. Government had framed policies for the immediate and long-term support of the forces of expansion both at home and in other countries and the U.S. stood ready to play a constructive part in the economic life of the world.

18. Mr. B. P. Adarkar, the Indian Representative, paid generous tribute to the assistance which the United States had hitherto given to the world to achieve the healthy growth of a unified economy. In his analysis he pointed out that the recent recession in the United States was to some extent responsible for the slowing down of the upward trend of economic activities in other countries. The U. S. had become the financial centre of the world, but it was doubtful whether New York had all of the functions which London had formerly performed. During 1949, the United States had shown reluctance to shoulder some of the responsibilities devolving upon it. The hesitancy in advancing loans to certain foreign countries on the one hand, and the devaluation of many currencies on the other, were two factors with deflationary effects upon the United States economy.

The question was not whether the United States was responsible for the slackening of world economic activities in 1949, but what measures should be taken in the immediate future. In that regard the United States should continue to extend its assistance to the rest of the world. Its capital reserves and productive capacities are such that by giving aid in the form of grants or loans to the rest of the world, the United States would facilitate the solution of its own problem of full employment and enable the world economy—in particular, that of under-developed countries—to expand. Such assistance would constitute a safeguard against unemployment and also be a source of profit to the United States and the countries of Europe.

19. **Full employment.**—The group of experts appointed by the Secretary-General met at New York on October 21st and completed its report on December 16th. The group consisted of Prof. John Maurice Clark of Columbia University; Prof. Arthur Smithies of Harvard; Mr. Nicholas Kalder, Fellow of Kings College, Cambridge; Mr. Pierrs Uri, Economic Adviser to the French Commissariat du Plan and Professor at the National School of Administration; and Chairman, Dr. E. R. Walker, Economic Adviser to the Australian Department of External Affairs. The main features of the experts' report covering several recommendations in domestic and international fields are that its approach is practical and its views are unanimous. The adoption and declaration of a full employment target, the implementation of continuing fiscal and other measures to stabilise effective demand at the full employment level and the introduction of a system of automatic compensatory measures to come into operation in the event of unemployment rising to a predetermined signal level for three months at a time are in the opinion of the experts necessary and practicable steps for most countries to take. But domestic policies must take count of the international economic situation and many countries find their liberty of action in the field of employment greatly restricted by their balance of payment difficulties. Should the United States and other leading countries follow domestic full employment policies with the utmost vigour, they would create the first condition to a workable international economic system. There is aslo urgent need for international action to establish an equilibrium in world trading relationships, to promote stability in international investment at a level adequate for the purposes of development of under-developed countries and to effect the recurring drain imposed on the monetary reserves of many countries induced by fluctuations in the imports of other countries, caused by variations in their international economic activity. It would follow, therefore, that in order to achieve a co-ordinated plan for full employment, an expansion of the activities of the International Bank and of the International Monetary Fund may have to be undertaken. In endorsing the report, Prof. Clark added that: "the world situation analysed in this report emphasises an obligation on countries that rank as industrial leaders and makes it to their interest to demand a higher performance from themselves than they might be inclined to do from purely domestic considerations alone."

20. The report was initially submitted to the 5th session of the Economic and Employment Commission which devoted its time to a detailed examination of the recommendation. One of the most important questions was the extent to which policies of the type suggested by the experts could be applied universally without major modification. The other principal problem was to decide whether, and if so to what extent, measures could be found which would come into force automatically and to a pre-determined and precise extent. The experts themselves had recognised the need for as much flexibility as possible, particularly in

relation to under-developed countries whose problems are quite frequently of a different nature. Some members of the Commission stressed that the report was designed mainly to counter unemployment rising from a decline in effective demand and did not place sufficient emphasis on other factors such as changes in the structure of economy or shortages of raw materials or of capital. After a thorough discussion of the implications of the measures suggested by the experts, the Commission, under Annexe B of its report, tabulated the main points to which the attention of the Council and of the member-States should be drawn.

21. Considering that neither the Council nor the Governments had had adequate time to examine the recommendations and their implications in all their aspects, the discussion in the Council was either of a general nature or was concerned with the theories underlying the suggested solutions. Two points, however, clearly emerged; the inter-dependence of several factors governing the economic activities of a particular area, and the early need for each country to establish suitable machinery for combatting unemployment.

22. Mr. Thorpe, the U. S. representative, hailed the report of the experts as one of the most important documents prepared by the U. N. in a technical field. He was convinced that the report not only fulfilled the high expectations of the Council, but would serve as an invaluable guide for the prepartion of measures which governments are expected to undertake under Articles 55 and 56 of the Charter. The views of the U. S. representative were shared by practically all the delegations, although Brazil, quite understandably, went to some length to prove that the question of employment was so linked with that of development of under-developed countries that no permanent solution would be available unless the flow of investment between the U. S. and several other countries could be put on a steady and satisfactory basis. According to the Brazilian representative the report did not place sufficient emphasis on the contribution which the economic development of those countries could make towards stabilising effective demand and full employment in industrialised countries by absorbing greater quantities of capital goods. These goods would have to be financed by foreign capital because the people of the under-developed countries were themselves too poor to save sufficient amounts to meet capital requirements; they needed help to break that vicious circle. Mr. Iverson (Denmark) analysed the reports from the theoretical point of view and commented that in some respects the experts, depending on the Keynesian theories, had tended to over-simplify the problems. He further criticised that the experts relied too much on compensatory fiscal policy aimed at influencing the general level of consumer demand and not enough on direct stabilisation of the level of investment. Similar speeches were made by other delegates and the representatives of the appropriate non-governmental organisations and in the end it was decided that the Council could not at its current session pronounce upon the various recommendations suggested by the Economic and Employment Commission and that time should be allowed to the governments to study the reports carefully so that the Council may be able to make concrete suggestions to member-States at its 11th session. It was also decided that the Secretary-General should invite the views of the Specialised Agencies and non-governmental organisations in this field and present them at the next session of the Council.

23. The Indian Representative (Sir Ramaswami Mudaliar) explained that the solution of the problem of unemployment was not only a moral obligation of the Council, but was an incumbent duty imposed upon it by the Charter. He drew the attention of the Council to the Assembly's resolution 308 (IV) emphasising the necessity of action to overcome

unemployment and under-employment in all areas and how in that connection it was necessary to stimulate the economy of under-developed countries. He thanked the U.S.A. and Canada warmly for all that they have done to help the devastated countries, and expressed the hope that they would continue to facilitate the return of economic prosperity to the world. It should, however, be recognised that it was loans and not gifts which the under-developed countries needed. With the same object in view he hoped that the Bank and the Fund would make it possible to utilise the human and natural resources in these economically handicapped countries to the fullest extent. He welcomed the Economic Report of the President transmitted to the Congress, which the U.S. delegation had circulated to members of the Council and which clearly showed that international measures were necessary to ensure not only the prosperity of the world as a whole but in the interest of the countries concerned.

24. **Developments.**—The regular Technical Assistance Programme of the United Nations [Assembly resolution 200 (III)] was reviewed by the Council and generally approved. The Indian representative (Prof. Adarkar) while expressing satisfaction at the progress made, considered that the Fellowship programme could be more suitably adjusted to the population figures in different areas. The more important problem of development of under-developed countries, which was brought into the United Nations soon after President Truman had announced his Point Four programme, could not be given any concrete shape in spite of the extremely large number of important documents which the Secretariat had prepared in this connection. The question of financing of development schemes had been studied thoroughly by the sub-commission on development but the details had not been agreed upon. It was, therefore, decided that this sub-commission should discuss the problem further at its fourth session, and the Council would then be in a better position to pronounce upon its recommendations. The Technical Assistance Conference is also expected to meet before the next session of the Council and its views will be invaluable for formulating final recommendations. The report of the Administrative Committee on co-ordination was before the Council and, although progress had been made by this body, it was of a tentative nature and would require a further review when the Council meets at Geneva in July and has before it the picture up-to-date.

A minor decision in this connection was taken on the question of establishment of a training centre in public administration. The Council endorsed the view that such a scheme should be introduced by the Secretary-General, but that it should be closely related to the larger issue of technical assistance.

25. **Bank and Fund.**—The reports of the Bank and the Fund were closely linked with the question not only of foreign investment and free convertibility of currencies, but with the problem of assistance to under-developed areas. While the need for co-ordination of the activities of the United Nations and of the Specialised Agencies in this field had been emphasised repeatedly, it was extremely useful for the Council to receive from the chief executives of these two institutions the latest comprehensive information and analysis of what they had done to encourage economic development of under-developed territories. Mr. Emile Gutt (International Monetary Fund) recalled how, because of the time-table for publications of the Fund's Annual Report to the Council soon after end of April, it was necessary to keep the Council in winter informed of important developments for the period May to February. He stated that in the recent changes in the foreign exchange rates the Fund had

taken particular care to ensure that each proposal was properly examined and that the rate of adjustment bore as close a relation as possible to the figures suggested by the experts of the Fund. He explained how greater co-ordination was being achieved with the U.N. and the other Specialised Agencies, particularly with the Bank and how the implementation of "Point 4" programme will bring the several international organisations closer. Turning his attention to the problem of convertibility, Mr. Gutt stated that an indispensable factor in any plan would be the internal effort exerted by each country, the painful and difficult daily effort to balance the budget at a reasonable level, to avoid excessive investment and credit policy which made such investment possible; briefly to prevent inflation from recurring once it had been controlled.

The major part of the report of the Fund was of an analytical nature and contained several tables of statistics which measured accurately the extent to which the export trade of the United States has dwindled during recent months and its repercussions on the world trade as a whole. It also showed how several countries, have been living on their accumulated reserves in foreign currencies painfully built up during the war. The inevitable conclusion was that it was not the devaluations of September which could assure that shift in dollar payments which was their basic objective; it was the policies affecting investment, credit, taxes and government expenditure, wages and consumption that would determine whether goods would be available for export on a sufficient scale and whether they would be offered at prices which would open larger dollar markets.

26. The Bank's report, presented by its President, Mr. Engene Black, made it clear that the time has come when its attention should be diverted more and more to the problems of development and less and less to those of reconstruction. It was universally agreed that the projects which the Bank had financed until the present were calculated to be of benefit to the countries concerned and to the world economy as a whole. But the general policy of the Bank in granting loans and the standards which it has hitherto followed for entertaining applications for projects were considered by most members as extremely rigid and to some extent in conflict with the original intentions underlying its Charter. It was pointed out repeatedly that the criteria of firm and stable administration, of a degree of technical skill, of domestic investment were such that few governments in the under-developed territories could be expected to fulfil them completely. Indeed, as Sir Ramaswami Mudaliar stressed, if these tests could be fully answered by countries seeking loans they could hardly be in need of any assistance from outside. The interest rate of the Bank together with its commission charges quite frequently came to 4½ per cent. Some delegates considered this as an unduly high figure which is not only not in keeping with the interest charged on gilt-edged securities and on private loans, but is likely to injure the projects. The Bank's insistence that all schemes financed by it should be "productive" in the accounting sense was also assailed by several delegates including Sir Ramaswami Mudaliar. The productivity of large-scale schemes could not always be accurately determined in advance (*e.g.* hydro-electric schemes), and not infrequently the Bank could render valuable assistance to countries by financing general schemes of development such as protective measures during famines which did not always yield returns calculable in pounds, shillings and pence. The text of Sir Ramaswami's speech is given in the Appendix C. The statement was widely appreciated and several delegates felt that it introduced the desirable degree of idealism in the functioning of the Bank and advocated a modest liberalisation of its policy.

27. **Ecafe.**—The report of the fifth session of ECAFE requested additional funds to enable it to carry out some of its basic duties. Several delegates questioned the urgency of such expenditure and the Australian representative even asserted that ECAFE was showing tendencies of functioning independently of the facilities available at headquarters, particularly in the fields of inland transport and statistics. Prof. B. P. Adarkar, on behalf of India, emphasised the reasons which had made it essential for ECAFE to undertake these functions and it was mainly at his initiative that the Committee, and later the Council, agreed to accept unanimously an Indian draft resolution approving generally of the proposals made by ECAFE. This resolution also invited the attention of ECAFE to the desirability of avoiding duplication with the Council in the matter of asking governments for reports on implementations of resolutions.

Chile, supported by Brazil and India, suggested that the Associate members of ECAFE should be given technical assistance under Assembly resolution 200 (III). Majority of the members were opposed to it, the U.S.A. suggesting that these States might well seek assistance through the Specialised Agencies. India (Prof. Adarkar) stated a variety of reasons in support of the Chilean resolution, but in the end it was decided by 9 votes to 3, with 3 abstentions (Pakistan, Iran and Mexico) to postpone decision until the 11th session of the Council.

28. **Economic Survey for Africa.**—The World Federation of the United Nations Associations (W.F.U.N.A.) submitted formal proposals for a study of the economic situation in Africa, with a view to eventual establishment of an economic commission for Africa. In the course of the discussion it was clear that such a commission was not feasible at the present stage and that the W.F.U.N.A. was over-bidding in the hope that the Council would at least agree to have a separate economic survey made for Africa. But even this modest ambition met with serious opposition. The U.S. representative wished to know the exact scope and purpose of such an investigation and what territories should be covered by the report. France, U.K. and Belgium were opposed as a general principle to having detailed investigation made into this problem: apart from their reluctance to open the door of the colonies too wide to the probing eye, they were apprehensive that the Communist countries might use a survey on the economic situation of Africa for unjustified attacks on the colonial powers. Further more, they argued that sufficient material already existed in the archieves and libraries of the metropolitan powers to satisfy the inquisitive. The Secretariat had suggested that a satisfactory survey would cost nearly $80,000, and most of the politically disinterested members were reluctant to incur this expenditure for a preliminary study which did not state what the ultimate objective would be. They also inclined to the view that if the intention was to establish eventually an economic commission for Africa, initiative might come from the governments of those territories. Moreover, several countries considered that Africa did not form an economic unit of study although it was geographically a continent.

29. For all these reasons and as a result of considerable negotiations, we had at first informally proposed that the solution might be found by having a separate and special annexe to the World Economic Survey which would adequately cover African economy on the basis of material available. The Secretariat was able to reduce the demand to $20,000 for the preparation of a special and separate annexe. In the end, however, we insisted on independent survey and Sir Ramaswami made a very strong appeal emphasising the need for such a study. But in the prevailing cautious atmosphere, nothing more than a chapter in the World Economic Report

dealing with the African economy was acceptable to the Council. China spoke in favour of our proposal but emphasised that the work should be undertaken without additional cost. Members who had been impressed by Sir Ramaswami's arguments and sentiments were at a loss to understand how to interpret the Chinese support which, in fact, weakened India's position. Eventually, China asked for adjournment so that the different points of view could be compromised. This was supported by the United Kingdom but when the Council met subsequently no agreement had been reached and as expected, the majority were, in favour of the Anglo-French view that for the present a chapter in the World Economic Report would be adequate. The French delegation explained that if at a future date, the treatment of African economy in the World Report was not found satisfactory, further measures would still be open to the Council.

30. The Conference on the Utilisation and Conservation of Resources met in 1949 and a report of the Secretariat was before the Council for discussion. While much valuable material was contained in the records of discussions of the Conference, it had failed to formulate concrete proposals for action. Accordingly, Denmark (Mr. Borberg) suggested that the Secretary-General should examine the conference papers and in due course bring before the Council proposals on which it could take decisions. This was unanimously accepted. Mr. Thorpe, the U.S. representative, expressed his Government's satisfaction at the valuable contribution which the members attending the conference had made. These members had not been hampered by terms of reference or by government instructions, but were free to exchange knowledge and to make suggestions for better utilisation and development of natural resources. Mr. Thorpe thought that regional conferences might be organised in co-operation with the Specialised Agencies, which, by defining the problems and needs of different regions would enable governments to execute programmes for the best conservation and utilisation of resources. In a general discussion in which several delegates spoke, these views were broadly supported, although the French representative (Mr. Kayser) was not quite convinced that a rambling discussion of important subjects was necessarily the best way of tackling it. He did not, however, dispute that the experts made innumerable admirable suggestions and comments in the solution of the problem. Both he and the Chinese representative urged that in final publication of the proceedings of the Conference, French and Chinese translations should be made available. The Indian Representative (Sir Ramaswami Mudaliar) was of the opinion that the conference had given a definite answer to those baseless theories which called for restricting the growth of population to keep pace with the world resources situation. Improvements in technique would make it possible profitably to exploit heretofore unused resources. It was absurd, said Sir Ramaswami, to conserve natural resources by forbidding their use. Every scientific discovery must thus be used to the maximum. He hoped that a way would be found to exploit the resources of the under-developed regions for the benefit of indigent populations, and for the world as a whole. Indeed, those territories should be given preference and the peoples who live in habitual fear of hunger should be assured that if these resources are to be exploited the first benefits must come to them.

CHAPTER III

SOCIAL SUBJECTS

(Items 14, 15, 16, 17, 18, 19, 20, 21, 22, Supplementary item 4).

31. **(A) Human Rights.**—The report of the 5th Session or the commission on Human Rights could not be adequately discussed during the 9th Session of the Council and was taken up for action on four draft resolutions. The first of these related to the question of associating the Sub-Commission on Prevention of Discrimination and Protection of Minorities in the work of missions which the Trusteeship Council sends out from time to time to enquire into the conditions of non-self-governing territories. Objection was immediately raised on the ground that the Economic and Social Council was not competent to make such an outright request to the Trusteeship Council. It was further pointed out that the specific function of the Trusteeship Council's missions was to safeguard the rights of the populations of the non-self-governing territories and therefore it would seem superfluous to associate the Sub-Commission with this work. Moreover, it was stressed that the Sub-Commission was concerned only with the question of discrimination and protection of minorities and could not in reason be charged with investigations of infringement of human rights. Also from the administrative point of view, the draft resolution presented by the Human Rights Commission created certain difficulties. For instance, it was not clear how the Sub-Commission was to be associated: was it the intention that certain members, or the whole Sub-Commission, or outsiders named by the Sub-Commission, or selected by the Secretary-General or by the Human Rights Commission accompany the visiting Missions? In the absence of these clarifications no financial estimate on the implementation of the draft resolution could be prepared by the Secretary-General.

32. In order to meet these objections, the Delegation of India (Mr. Sen) suggested that instead of asking the Sub-Commission to be associated with the visiting missions of the Trusteeship Council, that organisation should be requested to keep the Sub-Commission informed of infringement of human rights so that further action could be taken as may become necessary. Even this moderate proposal was objected to on the plea that the Trusteeship Council should not be requested to send material to the Sub Commission direct because it was primarily the responsibility of the Economic and Social Council to decide how to treat such information. We had suggested the modification when the Commission's original resolution was about to be voted upon and lost, but since the vote was taken almost immediately our proposal was defeated in the Committee by a narrow majority, several delegates explaining that their adverse vote was not due any fundamental objection to the spirit of the Indian Resolution, but at they were not quite certain yet of its implications. In the Plenary, erefore, the India.Delegation left out any reference to the Sub-Commis- in its draft resolution and suggested that the Trusteeship Council uld be requested to keep the Economic and Social Council informed uch violations of human rights and fundamental freedoms as may come ts attention. This was unanimously carried although Belgium had ed earlier in the Committee that it was not in conformity with the ed Nations' Charter for the Economic and Social Council to "meddle" he affairs of the trust and non-self-governing territories. Mr. Sen, lia) refused to accept this view and asserted that the Charter as a whole ed ample power in the Council to oversee violations of human rights rever they might occur. Indeed, it would be a mockery of human ts if certain areas claimed exemption from their operations. Mr. Sen that a stronger resolution could not be accepted by the Council

and agreed with the Delegate of Pakistan who pointed out that the modified proposal of India did, in effect, weaken the Human Rights Commission's resolution. We emphasised that we did this, not with any degree of satisfaction, but because in the absence of some resolution the idea contained in the Commission's resolution would be totally lost: a step which we would prefer to avoid.

33. As regards the publication of Year Book on Human Rights, the United Kingdom delegation wished the entire matter to be shelved, partly on financial grounds and partly on the plea that the Commission itself had suggested that at its next session it would discuss the question of the form in which the Year Book should be published. The British delegation insisted therefore that approval for the publication of this book in 1951 should not be given. The Colonial Powers also objected to the material on non-self-governing territories being included in full in these Year Books. Mr. Sen pointed out that insofar as no material regarding these territories had been included in the existing Year Books, a gap remained. He was prepared, however, to agree that *all* texts of laws and regulations of these territories need not be included, but the same weight and consideration should be given to non-self-governing territories as to other territories. In this view he was supported by the United States delegation, and in the Plenary necessary modifications in the resolution were introduced. As regards the British proposal that publications of handbooks should be suspended, the India delegation took the view that irrespective of the decision of the Human Rights Commission at its 6th Session regarding the form of the book, nothing should be done to destroy the work which the Secretariat had already undertaken as regards 1949 and 1950. The representative of the Secretary-General had stated that progress had been made in the preparation of these two books and therefore it was comparatively simple for the Council to accept the British view as amended by India. It was accordingly decided that while the final form of the Year Book must remain undecided until the Commission had reported further, the present work should continue.

The other resolutions recommended by the Human Rights Commission were approved without much controversy, although on the question of right of petition, the India delegation was not entirely satisfied that necessary safeguards existed in all cases for the writers of these petitions. We did not, however, vote against this resolution because several delegations explained that the matter had been carefully discussed and the final draft had been arrived at with considerable difficulty.

34. **Freedom of Information.**—The General Assembly resolution adopted at the 4th Session had refused to adopt the Convention on Freedom of Information which had been prepared by an international conference at Geneva in 1949. Sir Ramaswami Mudaliar was India's delegate to the Conference and he at once expressed regret that such an important document, adopted in an international conference, could not be given effect to by the General Assembly. Instead, the Assembly had recommended that this Convention should be taken up by the Human Rights Commission when it came to discuss the provisions for freedom of information contained in the Draft Convention on Human Rights (Article 17 at present). He emphasised that the intention of the General Assembly in referring this matter to the Human Rights Commission was merely to ensure that no wide divergence between the two Conventions should not exist in this respect, but that it never was, and could indeed never have been, the intention of the Assembly to kill the Convention on Freedom of Information by reopening the entire subject in the Human Rights Commission. He urged, therefore, that in interpreting the Assembly's resolution, Council should

give specific direction to the Commission, that in its deliberations it should confine itself to the broad question of freedom of information insofar as it relates to human rights. The French delegation supported Sir Ramaswami in this move but both the British and the Americans were opposed to any interpretation being given to the Assembly's resolution or any restrictions being placed on the deliberations of the Human Rights Commission. In the end, the joint Franco-Indian resolution was lost by a substantial majority, the Latin American countries voting with the Americans.

35. **Social Commission and Housing.**—The report of the Social Commission did not raise any controversial issues except that on finance. At the outset the Social Committee decided that there was no need to adopt five or six independent resolutions, as has been suggested by the Social Commission, and that one comprehensive resolution, approving of the work of the commission, would be adequate. This was accordingly done, but several delegations felt that the problem of housing and town and country planning occupied such an important position in the work of the Social Commission, that a separate resolution on this problem should be adopted. Two resolutions were, therefore, accepted by the Council, the total additional cost of which would come to approximately $17,000 against $20,000 which the Secretary-General had asked for 1950. The programmes as drawn up by the Social Commission and on the basis of which the Secretary-General had prepared his estimate, concerned not only the whole of 1950, but the projected plans for 1951. This was a difficult scheme to accept because the Commission itself had reported that its long term programme had not yet been drawn up and that the 1951 programme should be fitted into the long range plan. Since the Commission will be meeting in April, all that was necessary to secure was that the work should continue unhampered until the next session of the Council, when it is expected that both the programme for 1951 and the long-term plans will be available. On the question of tropical housing, the Council accepted the Commission's view, supported by the Secretary-General, that if it were impossible to hold a conference of experts in a tropical area, at least arrangements should be made for *ad hoc* assignment of experts to these areas.

36. In supporting the report of the Social Commission, the Indian Delegate (Rani Rajwade) stated that her Government was pleased at the progress made. The honest and practical beginning of the programme augured well for the work of the Commission. She regretted that it had not been found possible to convene a meeting of experts on tropical housing. She agreed, however, with the broad proposals made by the Social Commission and stated that while the Government of India was anxious to avoid extra expenditure, it was agreeable to provide the minimum amount necessary for essential work.

37. **Children.**—The report of the United Nations International Children's Emergency Fund was approved without much discussion. All the delegates were agreed that extremely useful work had been done by this body and that nothing should be decided upon at this stage which might affect the flow of contributions in the future. The Fund was established to take over the functions of UNRRA in this field, and it was admitted that the emergency measures which the Fund were expected to take at the termination of the war were no longer so vital. Even so, the need for continuing aid to children through international organisations still remained and it was doubtful if W.H.O. and various other existing or proposed institutions will be able to undertake this work on a satisfactory basis in the immediate future. In view of these considerations it would have been undesirable to take any action which might discourage the contributions

which ICEF might still receive. The Council was therefore content merely with taking note of the Report. Similar action was taken on the report of the United Nations Appeal for Children which had done admirable service in various countries and is now busy settling its final accounts.

38. Report of the Permanent Central Opium Board was also taken note of, the Indian delegate (Rani Rajwade) making a few general remarks in the Social Committee, expressing her appreciation of the work done by the Board and emphasising the need for better statistical returns by the member countries. It was gratifying to note in the report that several Eastern European countries which had in the past failed to supply adequate material to the Board, have now begun to transmit practically all the returns required by the Permanent Central Opium Board. On a formal request from the Swiss Government the Council decided to exempt 'Ipecopan' from the operations of the International convention on Narcotic Drugs.

39. **(B) Trade Union Rights.**—The question of guaranteeing trade union rights has become a yearly feature of the Council's work. At the 9th Session, against the opposition of the Soviet countries, the Council decided that the I.L.O. should be asked to establish a fact-finding and conciliation commission to investigate complaints regarding infringements of trade union rights which are brought to the notice either of the United Nations or of the I.L.O. The commission was expected not only to work on the behalf of the I.L.O. but of the U.N.: this created certain constitutional and technical difficulties which made several members a little hesitant. The majority, however, felt that the Council should await the report of the I.L.O. before coming to a final conclusion.

40. The Governing Body of the I.L.O. met at Mysore to finalise the arrangements for a fact-finding commission and outline the procedure for reporting which should be established between the U.N., the Governing Body and the Commission. In its formulation of details, the I.L.O. had the benefit of the written advice of the Secretary-General of the U.N. The proposals of the I.L.O. draw a sharp distinction between the I.L.O. members and the non I.L.O. members of the U.N. In the first place, complaints against I.L.O. members should all be centralised at the I.L.O. Secretariat and if the officials of the organisation decide that there was a *prima facie* case against any State member of the I.L.O. the papers will be circulated to the members of the Governing Body. For non I.L.O. members, however, no such screen is provided and the Economic and Social Council should be the body to decide if any complaints should be referred to the commission. In the second place, the Governing Body will decide if allegations against I.L.O. members should be sent to the commission, whereas for non I.L.O. members it will merely act as a channel of communications between the Economic and Social Council and the Commission. Thirdly, once the reports of the commissions are ready, those relating to the non I.L.O. members should be sent to the Council for such action as it may choose to take; for the I.L.O. members, however, the governing body will take proper action and forward the reports to the Council.

41. These recommendations, differentiating sharply between two groups of members to the U.N. appeared to the Delegation of India to be not only unsatisfactory but likely to prejudice the consent of some countries on the institution of any enquiry by the commission. One of the basic features of any satisfactory investigation is that the consent of the governments against whom complaints have been received should be obtained before the Commission can determine the facts. Since the treatment accorded to non I.L.O. members is definitely unfavourable compared

to that given to the I.L.O. members, it is extremely doubtful if this consent will be forthcoming from those countries which are not members of the I.L.O. In the absence of such agreement, much of the effectiveness of the commission will be lost.

Secondly, the mild recommendations of the I.L.O. that all reports will eventually reach the U.N. was further modified by the Council at the current session. Under the present arrangements the Council will not only discuss preliminarily if complaints against non I.L.O. members should be sent to the fact-finding commission, but when the reports on these members are obtained it will have a further opportunity to debate the findings and make recommendations on them. The reports on the I.L.O. members will not, on the other hand, travel further than the Governing Body of the I.L.O. Insofar as the Economic and Social Council has among its members both the Western and the Eastern blocs, it is undesirable that one group should have an opportunity to criticize the affairs of the other without reciprocity.

Another fundamental objection to the I.L.O. proposals is that although the fact-finding commission is assumed to work on behalf of the U.N. neither the General Assembly nor the Economic and Social Council will be in a position to suggest that an enquiry should be made against any member of the I.L.O.

42. For all these reasons the Delegation of India sought to modify and liberalise the proposals of the I.L.O. In the absence of the Soviet countries this was extremely difficult to achieve because the other members of the Council who all happened to be members of the I.L.O., were not prepared to accord reciprocity. Several arguments of a technical nature were brought forward to defeat the Indian proposals. First, it was suggested that if all the reports of the commission were to go to the Council it would be impossible to manage the work in a business-like manner. Second, the lawyers were of the opinion that the powers of the Council in giving direction to the I.L.O. or to recommend a change in procedure in their internal working was of doubtful validity. Third, it was urged that since the I.L.O. in its annual reports will cover this field, there was no necessity at this stage to accept individual reports against those countries who are members of the I.L.O. If further information was required, subsequent demands may be made on the I.L.O. Fourth, and perhaps the most important reason, is that if some countries have not joined the I.L.O. they cannot expect the same terms in the United Nations as those who have.

Mr. Sen, on behalf of India, pointed out that under the agreements entered into between the U.N. and the I.L.O. the former has every right to give general directions to the I.L.O. as to how it expects the commission to function. He further emphasised that insofar as the commission was to act on behalf of the U.N. such directions were not only pertinent but inevitable. He deplored the division of U.N. members according to whether some of them belonged to a particular specialised agency or not, and went on to elaborate the complications which would arise from such a distinction. He stated that the *ex-parte* decision of the Council at this session might indeed render the commission impotent at a later date, and that in the Council's resolutions certain political wisdom should be injected. But members had made up their minds to give as much power to the I.L.O. as possible and the probable objections of the countries not members of the I.L.O. were given little weight. The most that can be said about this attitude is that if revisions are indeed inevitable they can await the return of the Soviet countries to the Council table and their full protests.

43. **Forced Labour.**—At its last session, the Council had before it two main recommendations concerning the composition of a commission which would enquire into the nature and extent of forced labour, the reasons for which persons are made to perform it and the treatment accorded to such persons. In the absence of the Soviet delegation, the atmosphere of acrimony which prevailed during the 9th session was to a large extent avoided. But a new entrant, namely the W.F.T.U., took the field and made vituperous attacks on the Colonial Powers, asserting that forced labour in various forms and degrees existed in the colonies and that the administering authorities were doing all in their power to continue this abject form of exploitation. According to the W.F.T.U. spokesman, the imperialist Powers, which incidentally included the United States, were determined to keep large masses of people in the different parts of the world in utter and perpetual subjugation in order to serve their base and selfish interests. On the other hand, the representative of the American Federation of Labour produced a voluminous document in which the Soviet Union was held up as the villain of the piece employing a very large number of workers under pressure in the economic field. The fight therefore took a peculiar turn. Instead of the principals being the U.K. and the USSR, as in the past, now we had before the Council the A.F. of L. and the W.F.T.U., both non-governmental organisations, fighting for the two opposing blocs. It was, inevitable, therefore, that in the present session with the Eastern European representatives absent the views put forward by the W.F.T.U. would be severely castigated by delegate after delegate. The French representative, M. Boris, who took the floor immediately after W.F.T.U. had presented its case, described in polite language the charges brought against France as nothing except collosal misrepresentation designed to confuse the issue, to repeat ancient slanders against the Colonial Powers as if they had never been rebutted, and to conceal the true state of affairs in the Soviet Union and her satellites. The American and the British representatives spoke in the same vein, the latter emphasising that it was monstrous for the Soviet Union to plead that the Corrective labour Codex of the USSR was a simple enactment for advanced penal measure to induce in the idle and the irresponsible a sense of duty and of work. The Soviet representative had claimed in the past that the labour camps were gigantic institutions for the training of labourers; according to the British spokesman this was most cynical prevarication and he quoted extensively from the existing literature to prove that forced labour was the basis of practically all economic activities in the Soviet Union and was a very effective weapon for punishing political dissidents.

44. These charges and counter-charges had been brought in the past several times and the question was how best to discover the truth. The report of the Secretary General which had been prepared on the basis of replies received from member States revealed a curious state of affairs. While several States had agreed forthwith to co-operate in any investigation which may be undertaken by an international organisation in this field, the others had made cautious, conditional and evasive statements. Several countries, particularly those of Eastern Europe, had objected on the ground of domestic jurisdiction. Many had made their agreement conditional on the rival's consent, and yet a few others had merely stated that as there was no forced labour in their territories the question of investigation did not arise. Faced with these replies and the absence of the Soviet delegates from the Council, any action for establishing a commission of investigation would have been futile. Nevertheless, the matter was so important that the Council could not refuse to be interested in it because of the prevailing difficulties. It was inevitable, therefore, that decision should be postponed to a future date; the U.S. delegation pressed

for the 12th session, and the Danish for the 11th. The U.S. proposal was carried unanimously after the Danish amendment had been rejected by 8 votes to 3 with 4 abstentions.

45. The Indian representative, Sir Ramaswami Mudaliar, who spoke last in the debate, pointed out that forced labour was an anathema to all civilised peoples and no where could its existence be justified. The obligation of all members of the U.N. to eliminate it could not be shirked by invoking consideration of reciprocity or of universality. The allegations could be effectively confirmed or refuted only by a field survey. Sir Ramaswami, therefore, supported the view that the I.L.O. was the competent body to undertake this enquiry and said that the Government of India would be prepared to associate itself fully with any investigation which may be desirable, subject to financial implications. Since, however, the States against which the most serious charges had been brought had refused to co-operate and since the *Ad Hoc* Committee on Slavery had decided to continue its work in spite of that, he was prepared to accept the American suggestion that the subject should be retained on the Council's agenda for its 12th session.

The Indian view that the consent to any investigation should not be made conditional was widely shared. This could not, however, be said about the colonial powers' claim that they had done all in their power to check the evil of forced labour. They admitted that occasionally there might be some instances of employment of labour which had the appearance of being forced but in fact it rested on age-old customs of certain tribal territories. Their principal argument was that all actions consistent with their obligations both under international conventions and to the peoples of these territories have been taken. Since the Council was neither deciding the extent of forced labour in any territory nor indeed apportioning the blame amongst countries, much of this protestation served no other purpose except propaganda.

46. **Slavery.**—The item was introduced in the Council at a very late stage at the initiative of the Chairman of the *Ad Hoc* Committee on Slavery, which was established during the 9th session. It had been decided earlier that the Committee's report should be presented to the Council within a year, but meanwhile an interim report was considered by the Coucil. Apart from the substance of the report, the committee had suggested that a second session should be held after the 15th August, the date by which replies to its questionnaire were to be received from Governments and a third session in January 1951 when it could prepare a draft convention on slavery for presentation to the Council. The *Ad Hoc* Committee wished that its terms of reference should be so extended as to cover forced labour because the Council's own resolution had instructed it to survey the field of slavery and "other institutions and customs resembling slavery". A long debate ensued as to the precise meaning of customs which are akin to slavery. The Chinese delegate, Dr. Chang, took the ludicrous position that if the Council did not strictly adhere to slavery pure and simple, it might be pushed to a point when the relationship of wives and husbands would be considered as a form of slavery requiring investigation by the *Ad Hoc* Committee. In the final voting, however, the Chinese efforts to limit the original scope of enquiry was tellingly defeated: only China voted in favour of its own proposals. The Americans took the view that although forced labour might in certain instances merge into slavery, it would be best to keep the two questions separate and that the extension of power sought by the *Ad Hoc* Committee should not be granted. The U. S. representative further emphasised that insofar as the Committee was giving hearings to several charges against different countries, it would be better if their proceedings were held in private.

The U.K. supported the U.S. on these two points and was anxious to formulate the questionnaire recommended by the *Ad Hoc* Committee in such a way as to make it practicable for the Committee to analyse the material which may be forthcoming and to present the Council with a satisfactory report on the specific and limited problem it had referred to it. The French representative drew attention to Article 1 of the 1926 international convention on slavery which defined the institution in terms of Roman Law as: "The status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised". He admitted that present-day servitudes were not as specifically defined as in the Roman Law and it was possible that certain situations approaching slavery evade that definition. He was, nevertheless, opposed to extending the scope of the Committee to include forced labour. He was not entirely happy with the proposal of the U.S. that the meetings of the Council must necessarily be held in private. There was such a consensus of support in favour of the American proposals that the matter was disposed of after a brief discussion in which China fought a lone battle. In the end the American proposals were accepted by the Council with 13 votes to none, with 2 abstentions. Before the final voting, however, the U.S. delegation accepted the French view that while the need for private meetings in certain circumstances existed, no specific direction to the *Ad Hoc* Committee should be given on this point. The Council decided that only one more session of the Committee should be held not earlier than November this year: this would give both the governments and the Committee adequate time to study the problem.

The questionnaire which the *Ad Hoc* Committee had proposed for circulation to the States, was suitably modified and approved by the Council.

CHAPTER IV

OTHER ITEMS

A

47. **Co-ordination, etc.**—The two reports on co-ordination between the U.N. and the Specialised Agencies—one submitted by the Administrative Committee on Co-ordination (A.C.C.) and the other by the Secretary-General—showed a singular unity of thought.

The report of the A.C.C. reviewed the progress which has been achieved until the present and the interim arrangements which are being made for the initiation of the expanded technical assistance programme The report detailed substantial co-ordination already made in the fields of migration and housing and further studies with reference to fellowships and co-ordination of regional programmes. In addition to emergency assistance in Ecuador in connection with the recent earthquake, contacts have been maintained to ensure long-range measures of reconstruction. The Civil Service Advisory Board is also expected in the near future to formulate better plans for uniform rules of such administrative matters as priorities, reduction in the number of meetings, balanced calendar of conferences, reserve funds, utilisation of soft currencies, common form of budget, organisation of administrative and financial services, and a standard of conference services.

The A.C.C. further reported that preliminary actions have already been taken to achieve greater regional co-ordination and inter-agency agreements, particularly in the meteorological field, documentation problems,

and on questions relating to trust and non-self-governing territories, public information, registry and terminology services.

The Secretary-General also had, pursuant to an Assembly resolution, prepared a report for the consideration of the Council which dealt with problems such as the establishment of permanent headquarters of W.H.O. in Geneva and F.A.O. in Rome. This report related how UNESCO and FAO had co-operated with the U.N. and other Specialised Agencies in advising a balanced programme of meetings. The report pointed out that no action has, however, yet been taken to change the date of the annual session of the International Telecommunications Union. As for any alterations in the agreements between the U.N. and the Specialised Agencies or between the Specialised Agencies and other inter-governmental organisations, the Secretary-General's report stated that he was still discussing it with his colleagues in the A.C.C. and will report further progress at the 11th session. After preliminary views had been exchanged, the Council adopted unanimously two resolutions; the first noting the report of the A.C.C. and the second asking the Secretary-General to invite A.C.C. to submit a report to the Council during its 11th session on the Assembly's resolution of November 24th, 1949. This resolution calls for a report on action taken in pursuance of the agreements between the U.N. and the Specialised Agencies. As for the ITU conference, the Council recommended that those members of the U.N. who are also members of the ITU should consider when the meetings of the Administrative Council of the ITU are to be held.

48. **N.G.O's.**—As regards the non-governmental organisations a few very important decisions were taken. The Council's Committee in this field spent several harrowing days trying to decide what would be the best solution regarding consultative status of non-governmental organisations (NGO). On the one hand certain organisations had shamelessly violated the privileges granted them and had used the Council for propaganda purposes. On the other, it was difficult to exclude the NGOs from the Council without hampering its work in many fields and without appearing to penalise the whole group of organisations for the faults of one or two. The Non-Governmental Organisation Committee, after most detailed and careful examination, recommended that the organisation in Category "A" should have their right to suggest items on the Council's provisional agenda and to speak before the Council limited in certain circumstances. This was considered much too severe a fetter on the privileges of the non-governmental organisations and when the subject came up to the Council, the American delegation modified the proposals considerably by suggesting that the items proposed by non-governmental organisations should first be screened by the Non-Governmental Organisation Committee, and later in the Agenda Committee. It was further recommended that the length of any proposal submitted by these organisations should not exceed 2,000 words. There was unanimous outburst of opposition from the non-governmental organisations against the restrictions which were proposed to be placed on them. The Council, however, was practically unanimous that the American proposals provided a satisfactory means for keeping the organisations in close contact with the Council and at the same time assured that the dangers of abuse would be reduced to a minimum. It remains to be seen, however, what the fate of these decisions will be when the Soviet countries return to the Council.

49. Until the present the non-governmental organisations had been allowed to circulate documents in an unrestricted manner and at all times. Several of these documents were mimeographed from the U.N. funds and contained baseless and malicious charges against member-States. W.F.T.U.

is particularly guilty of this type of activity. In order to put an end to such an abuse the Council decided, on the recommendation of the Non-Governmental Committee, that documents should not be circulated by the Secretariat unless they had previously been approved by the N.G.O. Committee and unless they related to particular items on the Council's agenda. The Council reviewed the question of consultative status of N.G.Os. as a whole and succeeded in drawing up a Statute for these organisations which dealt with all aspects of Council's contacts with these bodies. The Category "C" was abolished and instead, a register for such organisations was introduced. The usual examination of application for consultative status or for promotion to higher categories also took place and the Council took separate decisions on each of these applications. Although the bulk of the work had been done in the N.G.O. Committee, the Representative of India, Sir Ramaswami Mudaliar, was responsible to a large extent in clarifying the issues and in formulating the final drafts.

50. Before, however, the new rules could be adopted, W.F.T.U., taking advantage of the old regulations, had circulated two documents in which violations of trade union rights and of human rights were specifically charges against the Government of India. Sir Ramaswami Mudaliar made opportunity to answer these charges in general terms. He pointed out that the only object of the W.F.T.U., as was well-known to the members of the Council, was to engage in propaganda on behalf of Communism and that the allegations made were so distorted, untruthful and malicious that he and his Government would treat them with nothing but contempt. He emphasised that this was not the first time that W.F.T.U. had made scurrilous attacks nor was India the only country which had been its target. These allegations and slanders brought up by W.F T.U. had been repeatedly answered in the past by India delegations in other international conferences and the broad facts are by this time so firmly established that Sir Ramaswami would merely state the general position without going into the details of each allegation. The position is that in India no person has been penalised or punished because he was a member of a trade union organisation. If certain persons had been imprisoned or punished it was not because they were trade unionists or Communists but because they had indulged in actions endangering the life, property and safety of other people. In certain parts of the country, because of these violent outbursts by Communists, the party itself had been banned, but under no circumstances trade union activities as such had been in the slightest degree restricted or punished. Sir Ramaswami asserted that he had fullest facts at his disposal on several instances to refute the charges of W.F.T.U. but he did not propose to do so because, unlike the W.F.T.U., he was determined to follow the fundamental principle of jurisprudence that comments should not be made upon cases which are subjudice.

51. **Inter-Governmental Agencies.**—It will be recalled that in the 9th session of the Council several important decisions were taken to integrate the existing inter-governmental agencies in the same field and to reduce their number of manageable proportion. Pursuant to the same policy, it was decided at this session that the members of the U.N. who are affiliated with the International Commission for the Scientific Exploration of the Mediterranean Seas and of International Relief Union should be recommended to take steps to terminate these two organisations. The International Commission for the Scientific Exploration has been defunct for 11 years and its activities have in effect been taken over by the General Fisheries Council of the Mediterranean which was to be set up under F.A.O. The Council also agreed to express satisfaction at the progress made by the Organisation of American State in integrating and simplifying the structure of the Inter-American system. It was, however, pointed

out that caution should be exercised in drafting various agreements between the Inter-American (*e.g.* the World Health Organisation, the Pan-American Sanitary Organisation, and the Council of Organisation of American States). If any difficulties should arise in these agreements the Secretary-General of the U.N. should inform the Economic and Social Council. A joint proposal moved by Brazil and Chile, was, with these clarifications, unanimously adopted.

52. Implementations.—An *Ad hoc* Committee established during the 9th session met at Lake Success to study the question of implementation of resolutions of the Assembly and the Council in the social and economic fields and offered specific recommendations which were adopted unanimously by the Council. In the first place, the Committee advocated with the Assembly and Council to adopt fewer resolutions requiring replies by governments regarding implementation. In the second, recommendations should be reported on and examined in a regular cycle, beginning with those adopted in 1948 and 1949, implementation of which will be considered in February 1952. The Council and Assembly were further urged to word the resolutions in as clear and precise language as possible. The form in which the replies have to be sent was also to be improved and the Secretary-General should ask Governments to state in the replies, if appropriate, (a) whether the Council or Assembly recommendations were put into effect by provisions contained in the Constitution or by legislative or administrative enactment; or (b) whether the action taken was governmental and if so whether central or local or voluntary and non-governmental. If no action was taken the Secretary-General should ask the Government to state for what reasons implementation had been found unnecessary or impossible. In this connection ECAFE had passed a resolution which asked governments for reports of implementation on their resolutions. On a United States motion, it was considered inappropriate for a subordinate organ of the Council to ask for these reports and it thereupon decided to amend the ECAFE resolution in a suitable manner. In the Council we agreed with the views of the U.S. delegation who had originally brought this question to our attention in private conversation. We felt that the point was so well taken that notwithstanding the support of the delegation of India to this resolution during the ECAFE session, the practice of subordinate bodies of the Council asking governments for reports on implementation should be discouraged. Sir Ramaswami Mudaliar pointed out, however, that this decision did not prevent these bodies from asking for information in suitable cases. It was further decided that since UNESCO is making a special study to eliminate expression of conflicting views by the same government in different international organisations, no action on the Assembly's resolution asking for similar steps to be adopted by member States need be taken until 1951. Sir Ramaswami Mudaliar spoke in the debate in various stages and contributed in the final drafting of the resolution. It was at his instance that the blunt wording of the U.S. draft resolution asking governments to explain why they have not implemented the resolutions was modified. He also agreed with the Australian delegation that UNESCO's action in undertaking the study of governmental machinery for implementation could not perhaps be fully justified.

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53. The Conference on Road and Motor Transport, held at Geneva in August 1949, had decided to introduce a Convention on Road Transport, together with a protocol on road signs and signals, and another concerning countries or territories at present occupied. In its final Act, the Conference had requested that the Transport and Communications Commission

should review periodically the work relating to international road transport, and if necessary, suggest to the Council further action. It was also the wish of the Conference that at a future date it should be practicable to adopt a universal convention on road signs and signals. At Geneva this was not possible because the American system today differs so widely from that existing in Europe. In order to break ground primarily for this purpose, the Secretariat had suggested a meeting of experts some time in 1950. The American representative, Dr. Kotschnig, was, however, sceptical as to the necessity of such study, particularly as the financial implications might be quite embarrassing. After Mr. Lukac, the Director of the Transport Division, had explained that the intention was to hold one meeting of experts only and that future action may have to be postponed unless there was preliminary agreement as to the advisability of a uniform system of road signs and signals, the U.S. delegation withdrew its objection and the Council approved of the Secretariat's suggestions.

54. One important administrative decision which the Council took at this session relates to the rules of procedure of Functional Commissions. In accordance with an earlier decision, a Committee on Procedure had worked on these rules (Mr. A. S. Mehta of the Delegation Office at New York represented India on this Committee) and their recommendations were before the Council. Before coming to any conclusions, the Council had to consider the views of its Committee on Non-Governmental Organisations, because certain rules impinged on the status and privileges of non-governmental organisations. The rules, as they have been at present modified, provide a comprehensive and unified procedure for all the functional commissions and removes the ancient doubt as to whether alternates could vote in the absence of the representatives and whether they could be named by the representatives themselves. Both the American and the Indian delegations thought that such powers to the representative would destroy the expert character of these Commissions, but found themselves in a minority. Similarly, India and the United States considered that if a representative were elected chairman of a Commission, he should also be able to represent his country in much the same way as the Chairman of the Security Council functions. The British, however, took the view that this procedure would lead to confusion because one would not know when the Chairman was functioning as such and when as a representative of his country. Since the British view was in conformity with the recommendations already made by the Committee on Procedure, the Indian amendment supported by the United States was lost without much discussion. Several less important amendments to the Committee's recommendations were suggested by Sir Ramaswami Mudaliar and accepted by the Council. Consequent on the revision of rules of procedure certain alterations in the Council's own rules of procedure were necessary and these were accordingly adopted.

55. One of the administrative questions the calendar of conferences for 1950 and 1951 occupied some time of the Council. The weary controversy as to whether the 11th session of the Council should be held at Geneva or in New York was renewed by the American delegation, strengthened by the General Assembly resolution during its 4th session. The Assembly did not pronounce upon the matter finally, but merely stated that the Council should confirm whether it still adhered to its own decision that the 11th session should be held at Geneva. At one stage the French delegation was apprehensive that in the absence of the Soviet countries, which had hitherto supported them on this issue, the earlier decision to hold the 11th session at Geneva might be reversed. In the end, however, only the United States, the United Kingdom and Canada voted in favour of New York, thus confirming the earlier decision. The Latin-American countries as a rule abstained and Geneva received the support of eight delegations. Sir Ramaswami Mudaliar, in supporting the French proposal, emphasised

that insofar as the Specialised Agencies had established their headquarters in different parts of the world and not at Geneva, as had been originally intended at San Francisco, it was all the more necessary that at least one session of the Council should be held there. The Australian delegation was at the beginning in favour of New York but in the later stages received instructions to vote for Geneva. Several minor modifications were made in the calendar of conferences for 1950, consequent upon decisions of the General Assembly and of the Council. The Technical Assistance Conference which had originally been suggested for April will, according to the present decision, be held on the 15th May, to suit the Secretariat's convenience and the general timetable. The calendar of conferences for 1951 was entirely of a provisional nature and the Secretariat issued a paper studying the budgetary and administrative assumptions underlying the programme. This was merely taken note of on the understanding that the Council at its 11th session will be enabled to discuss the matter more thoroughly. Similar formal votes were taken on the summary of financial implications of action of the Council and on confirmation of members of Commissions.

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56. There were three items (nos. 3, 4, 5) relating to the Middle East on which action during the 9th session could not be taken because of the disturbed conditions in that area. The Agenda Committee, on the realisation that no fundamental change had taken place in the situation recommended that even during the 10th session these items should not be considered. When the Agenda Committee's recommendations came to the Plenary for confirmation the delegate of Iran (Mr. N. Entezam) supported this view and the Council had little difficulty in postponing these items indefinitely.

57. There were three applications regarding membership of UNESCO. Under the terms of agreement between the U.N. and UNESCO it was necessary for the latter organisation to seek prior approval of the Council before membership was granted to any State not member of the United Nations. Korea, Indonesia and Jordan had been suggested by the UNESCO for membership and the Council quickly decided to approve all of them. The applications of Indonesia and Jordan, brought in as supplementary items, were included in the Agenda on the acceptance of the special plea of urgency which UNESCO had stated in forwarding the applications.

58. Two items, which had been suggested by the non-governmental organisation in the field of labour, were referred to I.L.O. on the recommendation of the Agenda Committee The Council, however, felt that while in accordance with Rule 15 of the Rules of Procedure, the Agenda Committee must, in suggesting reference to I.L.O., make it incumbent on that body to submit reports to the Council, the Council itself need not be bound by such restrictions. The United Kingdom representative therefore proposed that no decision should be taken as to the subsequent report by the I.L.O. on these two items and that the question should be left entirely to the discretion of I.L.O. This view was upheld by the majority in the Council and does, in reality, imply that unless I.L.O. recommends these items for inclusion by submission of separate reports they are deleted from the Council's agenda.

59. Another item suggested by a non-governmental organisation related to procedure for a study of world oil resources. The International Co-operative Alliance had in the past pressed for such a study to be undertaken by the Council, but as before the Council decided that however

important the matter might be it should not be singled out for study when several other commodities of equal importance had not been given any special treatment. Besides, the documents available to the Council did not permit it to take any definite decision during this session. On the recommendation of the Australian delegation the question was, therefore, postponed until the 12th session.

60. Item 27, dealing with problems of economic development and social progress of the former Italian colonies, was included in virtue of the Assembly Resolution 266 (iii) of 17th May 1949. It was, however, considered that inasmuch as a separate decision had been taken on the Italian colonies during the 4th session of the Assembly and a U.N. Commission was at present concerned with related problems, the Council should refrain from taking any action on this item.

CONCLUSION

In closing the session of the Council, the President Mr. Santa Cruz of Chile, emphasised that the Council had achieved a remarkable degree of cohesion and had shown sincere zeal in arriving at practical decisions on several important matters. He regretted the absence of the Soviet countries from the Council table and described their action on inconsistent with the provisions of the Charter and the spirit of international co-operation, on which alone the social and economic welfare of the world can be soundly based.

The statement of the President summarises the atmosphere of the Council throughout the session. In the absence of the Eastern European powers, the discussions on important topics were naturally one-sided. The countries like India, which follow a middle-of-the-road policy not infrequently found themselves in a hopeless minority because the other powers were anxious to take advantage of lack of any opposition and to get certain matters decided in a way which suited them to the utmost. Of the 15 Members present in the Council, there was not a single country, apart from India, which did not support to a degree the U.K.-U.S.A. bloc. It was inevitable therefore that these States were able to carry their proposals on most matters. Whenever anyone challenged their recommendations, as we did on several occasions, he was out-voted by an overwhelming majority.

From the Western Powers' standpoint this session was, therefore, a complete success but with so many elusive political factors influencing the future activities of the United Nations the time may not have come yet for a jig of joy. The delegation of India had the satisfaction of carrying out its Government's wishes on all important matters; when at times it found itself alone, it lacked neither hope nor charity

APPENDIX A

PROVISIONAL AGENDA WITH SUPPLEMENTARY ITEMS

1. Election of President and Vice-Presidents for 1950.

2. Adoption of the agenda.

3. Report of the *ad hoc* Committee on the factors bearing upon the establishment of an Economic Commission for the Middle East.

4. Report of the Transport and Communications Commission (second session): inland transport in the Middle East.

5. Question of the election of three members of the Economic Board for Palestine.

6. World economic situation.

7. Report of the Economic and Employment Commission 9 (fifth session).

8. Full employment:

   (a) Report of the group of experts appointed by the Secretary-General under Council resolution 221 (IX) E, on national and international measures required to achieve full employment.

   (b) General Assembly resolution 308 (IV) of 25 November 1949.

9. Economic Development of under-developed countries:

   (a) Third report by the Secretary-General on technical assistance for economic development under General Assembly resolution 200 (III).

   (b) General Assembly resolution 306 (IV) of 16 November 1949 on economic development of under-developed countries.

   (c) Methods of financing economic development of under-developed countries.

   (d) General Assembly resolution 307 (IV) of 16 November 1949 on economic development and international economic and commercial policy.

10. International centre for training in public administration.

11. Economic Commission for Asia and the Far East: action arising out of resolutions of the fifth session of the Commission.

12. Report by the Secretary-General on the United Nations Scientific Conference on Conservation and Utilisation of Resources.

13. Report by the Secretary-General on the United Nations Conference on Road and Motor Transport.

14. Report of the Commission on Human Rights (fifth session): completion of the consideration of the report, begun at the ninth session.

15. Survey of forced labour and measures for its abolition.

16. Trade union rights (freedom of association).

17. Draft Convention on Freedom of Information.

18. Report of the Social Commission (fifth session).

19. Housing and town and country planning.

20. Report of the United Nations International Children's Emergency Fund.

21. United Nations Appeal for Children.

22. Report of the Permanent Central Opium Board.

23. Implementation of recommendations on economic and social matters.

APPENDIX A

24. Co-ordination between the United Nations and the Specialised Agencies:

(i) Report of the Administrative Committee on Co-ordination.
(ii) Report by the Secretary-General on particular co-ordination matters.

25. Report of the International Bank for Reconstruction and Development.

26. Report of the International Monetary Fund.

27. General Assembly resolution 266 (III) of 17 May 1949:
"Problems of economic development and social progress of the former Italian colonies."

28. Application of the Republic of Korea for membership of UNESCO.
Item proposed by the United Nations Educational, Scientific and Cultural Organisation.

29. Inter-governmental organisations.

30. Non-governmental organisations:

(i) Applications and re-applications for consultative status.
(ii) Review of consultative arrangements.
(iii) Question of Non-governmental organisations Handbook.

31. Study of the economic situation of Africa:
Item proposed by the World Federation of United Nations Associations

32. International reduction of working hours as a consequence of rising labour productivity:
Item proposed by the American Federation of Labor.

33. Procedure for a study of world oil resources:
Item proposed by the International Co-operative Alliance.

34. Abolition of discriminatory measures of an economic and social character from which workers suffer on grounds of race or colour:
Item proposed by the World Federation of Trade Unions.

35. Revision of rules of procedure of functional commissions.

36. Calendar of conferences for 1950: adjustments consequent upon decisions of the General Assembly and other changes.-

37. Calendar of conferences for 1951: budgetary and administrative assumptions relating to the progress of conferences for 1951.

38. Summary of financial implications of actions of the Council.

39. Confirmation of members of commissions.

40. Election of members of the Agenda Committee for 1950.

41. Election of members of the Council Committee on Non-Governmental Organisation for 1950.

Supplementary Items

1. Admission of Indonesia to UNESCO.
2. Admission of the Hashemite Kingdom of Trans-Jordan to UNESCO.
3. Interim Report of the *Ad Hoc* Committee on Slavery.
4. Exemption of Ipecopan from the International Conventions on Narcotic Drugs.

NOTE.—In the Delegation report reference to Items is by the numbers they bore in the Provisional Agenda. Council either postponed or deleted or referred to Specialised Agencies items 2, 3, 4, 27, 32, 33 and 34. Joint discussion took place on items 7 and 8, item (a) (b) (c) (d) and 10 and item 18 and 19.

APPENDIX B

TABLE OF RESOLUTIONS AND DECISIONS

Resolution No.	*Agenda Item No.*	*Title*	*Document*
265	6	World economic situation	E/1649
265	31	Studies and date relating to the economic situation of Africa.	E/1651
267	7 and 8	Report of the fifth session of the Economic and Employment Commission; Full Employment.	E/1639
268	9	Economic development of underdeveloped countries.	E/1623 E/1658
269	10	Co-ordination of the Programme of Training in Public Administration with the Programme of Technical Assistance for Economic Development under General Assembly resolution 200 (III).	E/1655
270	11	Economic Commission for Asia and the Far East: action arising out of resolutions of the fifth session of the Commission.	E/1622
271	12	United Nations Scientific Conference on Conversation and Utilisation of Resources.	E/1627
272	13	United Nations Conference on Road and Motor Transport.	E/1609
273	25	Report of the International Bank for Reconstruction and Development.	E/1625
274	26	Report of the International Monetary Fund.	E/1626
275	14	Report of the fifth session of the Commission on Human Rights.	E/1634
276	Supp. Item 3	Interim report of the Ad Hoc Committee on Slavery.	E/1650
277	16	Trade union rights (freedom of association).	E/1641
278	17	Draft convention on Freedom of Information.	E/1620
279	18 and 19;	Report of the fifth session of the Social Commission; Housing and town and country Planning.	E/1631
280	20	United Nations International Children's Emergency Fund.	E/1656
281	21	United Nations Appeal for Children	E/1621
282	22	Report of the Permanent Central Opium Board.	E/1654
283	23	Implementation of recommendations on economic and social matters.	E/1624

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Resolution No.	*Agenda Item No.*	*Title*	*Document*
284	24	Co-ordination between the United Nations and specialised agencies.	E/1628
285	28	Applications for membership in UNESCO.	E/1629
	Supp. Item 1		
	Supp. Item 2		
286	29	Relations with inter-governmental organisations.	E/1608
287	30 (i)	Applications and re-applications of non-governmental organisations for consultative status with the Council.	E/1657
288	30 (ii)	Review of consultative arrangements with non-governmental organisations.	E/1646
		(Together with consequential revision of rules of procedure of the Council).	E/1652
289	35	Revision of rules of procedure of the functional commissions of the Council.	E/1653
			Summary Record containing decision.
No formal resolution	1	Election of officers of the Council	E/SR.344
,,	39	Confirmation of members of the functional commissions.	E/SR.347 E/SR.374
,,	40	Election of members of the Agenda Committee for 1950.	E/SR.369
,,	41	Election of members of the Council Committee on Non-governmental Organisations for 1950.	E/SR.374
,,	Supplementary Item 4	Question of the exemption of Ipecopan from the provisions of the International Conventions on Narcotic Drugs.	E/SR.372
,,	36	Calendar of conferences for 1950	E/SR.355 E/SR.362
,,	37	Calendar of conferences for 1951 (budgetary and administrative assumptions relating to the programme of conferences for 1951). The Council noted the paper by the Secretary-General on financial assumptions for the calendar of conferences for 1951 (E/1642).	E/SR.372
,,	38	Summary of financial implications of actions of the Council. The Council considered a final summary of the financial implications of proposals before the tenth session (E/1598/Rev. 2).	E/SR.374

APPENDIX B

Resolution No.	*Agenda Item No.*	*Title*	*Summary Record containing decision.*
No formal resolution	2	Adoption of the Agenda	E/SR.345
„	Supplementary items 1, 2, 3, 4.	Addition of agenda items	E/SR.345 E/SR.362
„	31	Reformulation of agenda item	E/SR.345
3, 4, 5, 15, 27, 30 (ii), 30 (iii)		Deferment of agenda item	E/SR.345 E/SR.366
33,			E/SR.372
32, 34		Reference agenda items to a specialised agency.	E/SR.345

APPENDIX C

TEXT OF SIR RAMASWAMI MUDALIAR'S SPEECH OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MR. PRESIDENT,

It is with some diffidence that I take part in this debate. But I have no diffidence, whatsoever, in offering my thanks and congratulations to the President of the Bank for his very helpful statement this afternoon and for the report that he has presented to this Council. India particularly is grateful for the interest that the Bank has taken for the loan that it has already granted and for the promise of a further consideration of the application which my country has laid before it. But I do not propose to speak this afternoon as a representative of my country at this Council meeting; we have here 18 members elected by the General Assembly, composed of 61 nations, and are expected to take care of the interests of all those members who are not members of the Economic and Social Council. Therefore, we have a double capacity at this meeting of the Economic and Social Council. First and foremost, of course, it is to advise of the opinions of our own Governments, and secondly, in our individual capacity, or even as the representatives of Governments, to speak on behalf of those who are absent, not by their own volition, but by the results of the ballot box. I, propose to speak this afternoon on behalf of those members who are not members of the Economic and Social Council.

Mr. President, our distinguished guest, the President of the Bank, invoked the name of Lord Keynas, in the course of his remarks. I cannot avoid feelings of the utmost emotion whenever the name of Lord Keynas is raised in connection with any economic debate. I had the pleasure of knowing him for several years, but more than that, we, who worked at Savannah, had the special pleasure of knowing the contribution that Lord Keynas made to the drafting of this Charter of the International Monetary Fund and the International Bank. If I might add one more name, an American economist of great honor, of great capacity and great charm, I would associate the name of Mr. White also, with all that may be said on behalf of Lord Keynas for the interest that they took in this work and the extraordinary contribution that they made towards the framing and adoption of this Charter. Mr. President, my mind goes back to Savannah and to the speeches that Lord Keynas and Mr. White made, and

to that great and noble figure which sat at the head of the table, even then assuming a rare judicial aspect, now translated as the Chief Justice of the Supreme Court of the United States of America, Judge Vinson, under whose able chairmanship these two particular Charters were drafted. And I remember the faith that he expressed in the drafting of this Charter, the hopes that he held out to us and to all those members who were gathered there and the inspiring words that we had heard when he opened the Conference and when he closed the Session. These two documents, the Charter of the International Monetary Bank and the International Monetary Fund and the International Bank he called the "economic Magna Carta of the world", giving hope to all peoples, assuring by his words a comfort for everybody, making it possible for the world to progress, for all people to live in economic security and for that feeling of oneness in the world which will bring about not a temporary interval between two world wars, but a permanent cessation of hostilities which might assure humanity a lasting peace. I recall these facts and these statements and I turn to the report of the Bank with, as the Governor himself admitted, a sense of frustration. Sometimes, I feel Mr. President, after two year's absence from the Economic and Social Council and from the General Assembly meetings, sometimes I feel I am like Rip van Winkle, coming to a new world, missing all that atmosphere that was prevalent at San Francisco, at the London Preparatory Conference and at the first General Assembly. I feel that I have stepped into a new world where powerful logic, brilliant intellectual performances may be the order of the day but when the animal was cut upon the heart was not there. We should recapture that heart. Sitting by the side of my friend here, the delegate of Iran, I can almost recall the lines:

"Iran indeed has gone with all its rose
And Jamshyed's seven-ringed cup where no one knows."

Take this report, Mr. President: I must confess that intellectually speaking, I must give adherence to all that it says, but my heart refuses to go with this report. My heart doesn't feel as if it could give its acceptance to what is contained in the report. If I were a shareholder or a stockholder of the Chase Bank or of Lloyd's Bank, I would be the first to get up at the annual meeting and congratulate the Chairman of the Bank on the report that has been produced, if that report could indeed equal in excellence the report that has been produced by the International Bank. But sitting here as a representative in an international gathering, I feel, as I said, that logic and brilliant intellectual performance is here and compels the acceptance on purely an intellectual level of many of us. I still feel that this is not the report which I was led to expect when I was a humble delegate at Savannah. The report has put forward difficulties, various difficulties, in the granting of loans: difficulties in examining the technical projects that have been brought forward; it points out the defects in administration, there are undeveloped countries whose system of administration is not right, there are undeveloped countries whose technical skill is at a very low level, there are undeveloped countries whose political systems do not ensure that continuity of governmental administration which is essential. Incidentally, I recall there are very highly developed countries also where a system of continuity of governmental administration may not always be ensured. But that apart, these are the sort of difficulties that have been put forward and, as I said, very rightly from purely a banker's point of view, but I do venture to suggest, Mr. President, that if the ideas and ideals that were put forward at Savannah and accepted by the delegates gathered together, emphasised by Chairman Judge Vinson, eloquently reiterated over and over again by Lord Keynes and Mr. Fred White, if those ideals are to be carried out,

kept in view, I should expect a little more sympathetic report than what has been produced by the Bank. I make no complaints. I only ask, bankers as they are, that there be a little more heart in the report and a little less of that logicality which is essentially characteristic of bankers. Let's turn to the report, Mr. President, and see the conditions that the Bank says must be satisfied before a loan is granted. There are many reasons why development is necessarily a gradual process. Without intelligent skill and vigorous manpower, the economic progress of any country is likely to be slow. Frequent changes in Government result in economic and financial insecurity and prevent the consistent policy and continuity of administration that are so important for development. Development is also hampered by the limited resources of domestic capital available in most undeveloped countries. All perfectly sweet reasonableness. That is what a private investor would say when he is asking himself whether money can be invested in a foreign country for a project over which he has no particular control. And yet, in the period between the two wars, I venture to suggest in fairness to the private investor, that the private investor was much more willing to take risks than the International Bank seems to be at the present time. Mr. President, but in the years following the last war, the 1920's, this country and the private investors of this country were only too eager to make investments abroad, perhaps not always well and wisely and they did burn their fingers. There are many other reasons why following the last war those opportunities for investment abroad which were available from many countries have gone dry. Many European countries invested their monies in various parts of the world, but we know from the conditions that have prevailed after the Second World War that those facilities for investment no longer exist in those European countries. In fact, if they could rehabilitate themselves it would be as far as they could go. It is the realisation of these two facts, first, the American private investor may not be as anxious as he was after the First World War, and secondly, that countries which were normally investing in undeveloped areas have ceased to possess the facilities for such investment after the Second World War; it is exactly these two conditions and these two problems that necessitated concentrated thinking on the idea of establishing an international bank which could take the risks where private interests would not take the risk, which would come in and make these investments where many private capitalist governments refused to make those investments, notably the Government of the United Kingdom, who were not in a position to do so. That is the background from which I would have liked the International Bank to consider the question of these investments. I refer to the general problems in undeveloped areas. If there was intelligence, skill, technical ability, managerial competence and above all domestic capital available they may not require the International Bank to come in and help that undeveloped country. It can take care of itself and develop by itself. It is exactly because these are not available, it is exactly because conditions are prevailing or prevalent which do not make it possible for that country or for its citizens to come forward and help themselves that they are in the unfortunate position of asking either a foreign private investor or a foreign government, and lastly, with some idea that they are approaching the right quarter and have a right to approach that quarter, lastly, the International Bank itself. What good does it do to this undeveloped country if it is stated that there is an obvious defect in the structure of its administration, their social life, their educational backwardness; if their want of skill is pointed out to these countries.

I wish to be fair to the International Bank. I know that the honourable the President has pointed out that he himself, and I take it his colleagues, are not happy at this stalemate, if I may say so, which has been

reached now. Almost a stalemate, but they are pursuing their enquiries further and I hope that these enquiries will lead to a greater liberalisation of the policies which they seem to have adopted a little too rapidly at the inception and that a greater consideration will be shown to the requirements of these undeveloped countries. And, Mr. President, it is an obligation thrown on the International Bank by the Charter itself. The very purpose of the Bank, the first clause in the Charter, says the purpose of the Bank is (I read only the first clause) "to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economics destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries". And throughout the Charter this balancing between the reconstruction programmes of countries which have been devastated by war and the development of countries which are called less-developed countries is emphasised over and over again. Therefore, it seems to me that a new approach may have to be made. And I venture to suggest it very respectfully and very humbly to the Governors of the Bank, a new approach may have to be made as to how the conditions can be liberalised so as to bring greater assistance to these undeveloped countries. The undeveloped countries are asked to find first their own resources. Emphasis is placed (I say my intellect goes with this argument) and rightly, on the need for domestic capital being primarily the essence of any great project that has to be carried out, of foreign capital being there only for a certain limited purpose. Now take the case of Runanda-Urundi (or whatever that country may be) which is a colonial possession. If you (I am not making any comments on that, I am only giving that as an example) if the Mother Country is not in a position to put capital into that Runanda-Urundi, where is the domestic capital to come from? Of what nature can that domestic capital be? I stated some time back and I venture to repeat again, let us be quite clear as to what this capital means: in an undeveloped country it is the resources of the land, the mineral underground, and above all the human energy which is evidenced by the able-bodied men in the country. Are they not the capital of that country? Can any amount of dollars really equal that capital? Is that not the primary capital of any of these undeveloped countries which will be harnessed for these projects? Then what you are requested to do in to supplement it by equipment which you get from abroad by high-power technical skill for a short-term, by training these men in the skilled arts, and ultimately, by making this project a success. Is it by merely governmental loans that domestic capital is acquired? Is it only by the saving which the individuals in the country can make so as to enable the administration of that country raise the loan and utilise it for the project? Is that the only way by which domestic capital can become conserved and utilised? No, Mr. President. Human energy and human labour and God-given resources above and below the ground, these are the real capital of most countries and the person who utilises that capital, putting in a little of his own, not only will he get back the little that he has put, but if it is worked in the spirit in which it ought to be worked, for the benefit of the people of that undeveloped country, not only will that project mature but the entire scheme of things will be changed, the living conditions of these people will improve and it will be a new land flowing with the proverbial milk and honey. Perhaps I am putting forward very uneconomic and very crude layman's views on these subjects, but I think, perhaps for the experts of the Bank, as indeed for most of my friends who are great economists, a little fresh air of completely illogical layman's thinking may not altogether be out of place. It is in that hope that I venture to make these observations.

Now, Mr. President, let us take the banking policy of the Bank. And I am glad my friend from Pakistan referred to one aspect of it, 4½ per cent. rate of interest for a development project, and he pleaded for a lower rate of interest. That was what was offered also to my country, I believe: 4 per cent. or 4½ per cent. I heard it was 4½ per cent. I may be wrong: 3½ per cent. plus an additional 1 per cent. for charges. And this shall be a productive project. Again and again in the course of this report the President emphasises the fact that the project which should be financed should be a productive project. My friend from Peru and my honourable colleague from Brazil have referred to the report of the experts on full employment who have suggested that the loans of the Bank may also be given for more general purposes. What they meant by that was for purposes which may not technically be called productive purposes.

In my country, perhaps in other countries also, there is a division made of these various projects. They are divided into two classes, productive projects and protective projects. My country has sometimes been known to have suffered from famine. At the time of famine we undertake what are called "protective projects". It protects the men from want. The money invested in it may not be repaid or the interest charges on it may not be available from that project for a long time. The amortisation may be very slow. It may be, in other words, a non-productive project in the sense that it does not produce by way of return all the money that has to be found for the servicing of the loan that has entered into that project. I take it that by the general purposes which these experts have referred to that they are referring to such protective projects. That is to say, projects which may not pay in terms of interest, in terms of return, the interest that is necessary for servicing of the loan but which ultimately will return much more to the country and to the world at large by the benefit that is widespread, by the quality of the population which it changes after the application of these general projects. But I shall not go into that. It is, it may be considered a revolutionary idea to bankers and even to the bankers of the International Bank. I shall leave the experts to argue that case with them. And probably the Council will have an opportunity of making its views known and its recommendations suggested to the Bank when it comes to examine the question of full employment and the report of the experts.

But let me confine myself, Mr. President, to this issue of productive works. I am aware that in the Charter the phrase "productive" is used. Now, what is meant by a "productive" work? A "productive" work is one where you put a certain amount of capital, you calculate the interest on that capital, and then you expect that when the work is completed, the return from that work shall be such as to more than repay the interest and the amortisation charges, if necessary, on the capital that has been invested in that work. First of all, Mr. President, if we only look back we realise that works which were not considered "productive" and which were still undertaken a few years back have at a later date become not merely "productive" works, but regular milch cows—their return paying over and over again all the capital that has been invested in that work and their being the source of revenue augmenting the general revenues of the State. I do not know whether there are such examples in the United States. I believe there are, but in my own country I can give several examples of what was once not considered a "productive" work, earning today much more than a "productive" work. If you give sufficient opportunity for it to develop, this kind of "productive" work can be undertaken on a very large scale. I am not quite sure when the work is expected to be "productive", according to the very technical interpretation that is put on it by the Bank. They have undertaken the financing of hydro-electric

works. Now, Mr. President, anybody knows that a hydro-electric work does not become immediately productive. After undertaking a hydro-electric installation and I have some experience of that in my own country because I have administered a big hydro-electric work, after it is completed the power is generated there, but the stage when it can become a "productive" work is the stage when that power is distributed over a wide area, many industries come into existence and apply for that power and take it, many other areas utilise that power and then only can it become a "paying proposition" if I might alter the phrase from "productive" work. Now is that the sort of thing that the Bank contemplates? If so, obviously the amortisation must be stretched over a fairly long period. There is something beyond that—what I would like to emphasise is, there is no means by which you could know definitely that that work will be productive or not. And I venture to suggest very respectfully to the President or the Bank, that for the hydro-electric works which have been now undertaken and which have been financed, you can with no certainty say that it is a "productive" work. Because its productivity depends upon the transmission of that power from the hydro-electric station to various places and the demand that may then arise for the consumption of that transmitted power. Therefore, I venture to think that in classifying this as "productive" work which can alone be financed by the Bank, we should again bring the liberal point-of-view to bear on this subject. And speaking of the interest rate, how do you expect that work to be productive if 4½ per cent. interest is to be charged thereon. The prevailing rate of interest on government loans in my country is between 2½ and 2¾ per cent. We know, that for gilt-edged securities in most parts of the world the rate is low. Governments have intentionally kept the rate low. During and at the end of the last war interest rates were taken to be of little account. We had 4 per cent, 4½ per cent., 5 per cent., 5½ per cent. and 6 per cent. government bonds, free of income tax also. But you know, particularly, Mr. President, that that golden age is gone. Governments do not want to go beyond 3 per cent. at the most. And when domestic loans are floated at 2¾ or 3 per cent., to put forward a proposition that this international governmental loan by the Bank will be advanced at 4½ per cent., well, when I heard of it, a chill went down my spine, Mr. President. What is the good of putting forward projects if 4 per cent. is the rate of interest that has to be paid? And I would like to draw the attention of the Governors of the Bank to a provision in the Charter where, at least, with reference to the devastated areas and reconstruction work there is a special commendation that financial burdens should not be too high. Let me read Article 2 "Use of Resources". "The resources and the facilities of the Bank shall be used exclusively for the benefit of members with equitable consideration for projects for development and projects for reconstruction alike". Again, the synthesis between the two, the balance between the two, is kept prominently before the members of this Bank in the very terms of the Charter. Then they say "for the purpose of facilitating the restoration and reconstruction of the economy of members whose metropolitan territories have suffered great devastation from enemy occupation or hostilities, the Bank, in determining the conditions and terms of loans made to such members, shall pay special regard to lightening the financial burden and expediting the completion of such a restoration and reconstruction". If I might venture to interpolate a language which is not my own, it means: do the work of financing reconstruction quickly, and let it be done cheeply also so far as these countries are concerned. Give your loans at cheap rates of interest and as quickly as possible. That is the command of the Charter. I cannot add to that command. And, Mr. President, when I look at the balance sheet of the Bank and see that a profit of 10 million dollars has been made on the interest rates that have been charged and the services that have been rendered, I venture to think

that it would have been a good idea if I had been a share holder of the International Bank.

Mr. President, I have not made these observations in any light spirit at all. We know that the way to peace is the way to economic security. But the way to economic security is the only way to peace. We know that there are conditions prevalent in several parts of the world which are not static, which are casuing the utmost anxiety to many millions of man and woman all over the world. And undoubtedly to many governments also. We are not in that age where we can say things will adjust themselves; or lay the flattering unction to our souls that wars are "acts of God". They are acts of men. And while we may have all the vocabulary at our disposal to condemn the attitudes and atrocities of tyrants and dictators, let us also realise that by a policy of negation, a policy of masterly inactivity, we may also be unconsciously, perhaps, but nevertheless very really contributing to some of the causations of those atrocities which may convulse the world.

In organising for economic security, in basing our activities in the United Nations, on the desire to make every government big or small, every country developed or undeveloped, feel that it is under the umbrella of the security of the whole world and the peoples of the world and especially of those who are better off, of organisations which have been especially created for looking after their conditions, in that atmosphere alone can the security of the world to any extent be postulated. I plead, therefore, and once again say it with the utmost sincerity; Convinced as I am, that this Council, more than any other organ of the United Nations, and the Specialised Agencies which are so closely associated with the work of the Council, can be the redeemers of the world, I venture to put forth in all humility, and I want the Governors, the President and the members of the Bank to realise it that in their task, mainly, and in the task of the Specialised Agencies, and only remotely in the co-ordinating effort of the Economic and Social Council, lies the prospect of peace in a harassed and utterly confused world.

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